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FOREIGN SERVICE DESPATCH

FROM : American Embassy, Tripoli

284
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 9, 1955
DATE

REF : Department's Telegram No. 299, February 4, 1955

15 For Dept. Use Only	ACTION REC'D 4/18	DEPT. INFO OTHER
	NEA-4	RM/R-2 A/REP-2 OLI-6 E-4 S/MSA-1 L-2 EUR-5
		C IA-5 FOA-10 OSD-4 AIR-4 TR-3 TR-3

SUBJECT: Transfer of FOA Funds to Libyan-American Reconstruction Commission

JOINT EMBASSY-USOM/L MESSAGE

The referenced telegram stated that the transfer of FOA's three million dollars to the Libyan-American Reconstruction Commission (LARC) should be accompanied by a note indicating that the basis of the transfer was a U. S. understanding that the funds were to be used for essential economic development projects in Libya. An opportunity for the Department and FOA to review a draft of such a note was requested.

The draft note is enclosed. The Embassy and USOM/L request telegraphic advice on the acceptability of this draft. It will be noted that individual projects are not specified. In view of the desire of the U. S. members of the Commission to keep all allocations on a tentative basis until the Commission and the Executive Director have had proper opportunity to review them, it is believed that the allocation of the FOA funds to specific projects at this stage would be unwise. However, if FOA considers specific allocations to be sufficiently desirable to override this argument, specific items from the presently available tentative list of projects can be included in the note.

A despatch is in preparation to provide the Department and FOA with full information on further developments in regard to LARC, supplementing and amplifying telegrams already sent.

For the Ambassador:

David G. Nes
Deputy Director of U.S. Mission

(Cleared with L'Orange)

cc: Benghazi

FKLandy/lva

Enc. 1 REPORTER

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DEPARTMENT OF STATE/AEC
REVIEWED BY J.M. Razi DATE May 6, 1982
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American Embassy,
Tripoli, April ?, 1955.

Excellency:

I have the honor to refer to the economic assistance agreement concluded between the Government of the United States of America and the Government of the United Kingdom of Libya on September 9, 1954. You will recall that this agreement stated, inter alia, that three million dollars ($3,000,000) of initial assistance by the United States Government for economic development in Libya would be available for commitment during the United States fiscal year ending on June 30, 1955. You will recall that provision of assistance under the proposals contained in the agreement was to be subject to the conclusion of such additional agreements as might be necessary to meet the requirements of applicable United States legislation and procedures.

I am pleased to inform Your Excellency that in accordance with the above provisions of the September 9 agreement the United States Operations Mission to Libya is prepared to transfer to the Libyan-American Reconstruction Commission the sum of three million dollars ($3,000,000) as a contribution by the United States Foreign Operations Administration toward the furtherance of the economic development of Libya.

Upon receipt of notification from Your Excellency that the Libyan-American Reconstruction Commission is prepared to accept this contribution as agreed herein, the specified funds will be deposited as directed by the Commission and will be subject to instructions on their custody and disposition from a duly authorized officer or officers of the Commission in accordance with its enabling legislation and rules of procedure.

It is understood that these funds will be devoted to the furtherance of the economic development of Libya and that the United States Operations Mission to Libya will be provided access to such information concerning projects to be financed from these funds as may in its judgment be considered necessary to satisfy the requirements of applicable U. S. legislation and administrative regulations.

His Excellency
Mustafa ben Halim,
Prime Minister and Minister of Foreign Affairs
of the United Kingdom of Libya,
Tripoli.

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